
A BILL FOR AN ACT

RELATING TO THE ENVIRONMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the climate impact
2 fee, commonly known as the "green fee", enacted in 2025, was
3 established to protect, restore, and sustain Hawaii's natural
4 resources and mitigate the effects of climate change on the
5 State for the benefit of residents and visitors alike. The
6 legislature further finds that the State's natural resource
7 systems face increasing and compounding pressures, including
8 watershed degradation, heightened wildfire risk, declining
9 aquatic ecosystems, impacts to coastal areas from erosion and
10 sea level rise, and widespread reliance on cesspools that
11 threaten public health and coastal water quality.

12 The legislature additionally finds that effective
13 stewardship of the State's natural and cultural resources
14 depends upon the capacity of executive branch agencies to carry
15 out their core functions. These foundational governmental
16 responsibilities are essential to achieving the purposes for
17 which the green fee was enacted.



1 (4) Any related debt service and financing agreement
2 costs.

3 (c) The department shall submit an annual report to the
4 legislature no later than twenty days prior to the convening of
5 each regular session that includes a description of expenditures
6 from the special fund."

7 SECTION 3. Chapter 183, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§183- Watershed, biodiversity, and fire resilience

11 special fund. (a) There is established in the state treasury
12 the watershed, biodiversity, and fire resilience special fund to
13 be administered by the department, into which shall be
14 deposited:

- 15 (1) Funds allocated pursuant to section 237D-6.5;
- 16 (2) Appropriations by the legislature;
- 17 (3) Moneys received from federal, county, or private
18 sources;
- 19 (4) Grants, gifts, donations, and reimbursements; and
- 20 (5) Any other money directed by law.



1 (b) Moneys in the watershed, biodiversity, and fire
2 resilience special fund shall be expended by the department for
3 activities of the division of forestry and wildlife to protect,
4 restore, or improve watershed functions, increase groundwater
5 recharge, conserve native biodiversity, create fire-resistant
6 landscapes, and carry out post-fire stabilization and
7 restoration, including but not limited to:

8 (1) Planning, designing, constructing, and maintaining
9 ungulate-proof fencing and related infrastructure;

10 (2) Removal and control of feral ungulates;

11 (3) Invasive species control, native ecosystem
12 restoration, and fuel management;

13 (4) Native habitat management, restoration of native plant
14 cover, and recovery of threatened and endangered
15 species;

16 (5) Hazardous fuel reduction, strategic firebreaks, and
17 actions that limit the establishment and spread of
18 fire-promoting vegetation;

19 (6) Post-fire emergency stabilization, erosion control,
20 and rapid re-vegetation to prevent invasive species
21 dominance and protect downstream resources;



1 (7) Monitoring, mapping, and applied research necessary
2 for adaptive management and measurement of watershed
3 and fire-related outcomes;

4 (8) Support for watershed partnerships and cooperative
5 projects across mixed ownerships; and

6 (9) Equipment, supplies, and operational costs necessary
7 to implement the purposes described in this
8 subsection.

9 (c) The department shall submit an annual report to the
10 legislature no later than twenty days prior to the convening of
11 each regular session that includes a description of:

12 (1) Expenditures from the special fund;

13 (2) Acres of priority watersheds and landscapes that are
14 protected, treated, or restored;

15 (3) Measurable outcomes related to water resource
16 protection, including acres protected or restored and
17 estimated benefits such as recharge or sediment
18 reduction;

19 (4) Wildfire mitigation and post-fire recovery actions
20 completed;



- 1 (5) Status and trends of critical or endangered species or
- 2 habitats; and
- 3 (6) Funds leveraged from non-state sources."

4 SECTION 4. Chapter 187A, Hawaii Revised Statutes, is

5 amended by adding a new section to be appropriately designated

6 and to read as follows:

7 "§187A- Aquatic resources conservation special fund.

8 (a) There is established in the treasury of the State the

9 aquatic resources conservation special fund to be administered

10 by the department, into which shall be deposited:

- 11 (1) Funds allocated pursuant to section 237D-6.5;
- 12 (2) Moneys collected for the purposes of compensatory
- 13 mitigation from federal or state permitted impacts to
- 14 aquatic life, aquatic resources, and aquatic habitats;
- 15 (3) Moneys collected as fines, bail forfeitures,
- 16 attorney's fees, and administrative costs for
- 17 violations of subtitle 5 of title 12 or any rule
- 18 adopted thereunder, except:
- 19 (A) Informer's fees authorized under section 187A-14;



- 1 (B) Fines or bail forfeitures for sport fishing
- 2 violations of this chapter and chapters 188, 189,
- 3 and 190 pursuant to section 187A-9.5(b) (3); and
- 4 (C) Fines, bail forfeitures, or administrative fines
- 5 for violations of chapter 189 pursuant to section
- 6 189-2.4(b) (3);
- 7 (4) Monetary contributions or moneys collected from the
- 8 sale of aquatic-life-themed and aquatic-resources-
- 9 themed merchandise; and
- 10 (5) Moneys derived from interest, dividend, or other
- 11 income from paragraphs (1) to (4).
- 12 (b) Subject to subsection (c), the aquatic resources
- 13 conservation special fund shall be expended by the department
- 14 to:
- 15 (1) Develop and carry out aquatic environmental
- 16 stewardship, climate resilience, and the protection of
- 17 natural and cultural resources across the State,
- 18 including the development and implementation of
- 19 aquatic life and aquatic resource conservation,
- 20 restoration, enhancement, research, regulatory,
- 21 enforcement, educational, and other management



1 activities necessary to conserve, restore, protect,
2 and enhance aquatic life and aquatic resources under
3 the jurisdiction of the State;

4 (2) Develop and carry out restoration and compensatory
5 mitigation measures for impacts to the marine
6 environment, including impacts to the marine
7 environment from federal or state permitted actions,
8 or violations of subtitle 5 of title 12 or any rule
9 adopted thereunder;

10 (3) Install, maintain, and replace day use mooring buoys
11 and other infrastructure to reduce impacts to the
12 marine ecosystem; and

13 (4) Make payroll payments for personnel of the department
14 or fund grants-in-aid to or contracts with the
15 university of Hawaii or other qualified organizations
16 or individuals to develop or implement the programs
17 and activities for the conservation and management of
18 aquatic life for commercial purposes.

19 (c) The aquatic resources conservation special fund shall
20 be held separate and apart from all other moneys, funds, and
21 accounts in the department; provided that any moneys received



1 from the federal government, through federal programs, or from
2 private contributions shall be deposited and accounted for in
3 accordance with conditions established by the agency or private
4 entity from whom the moneys are received; provided further that
5 twenty per cent of all gross revenues collected under subsection
6 (b) (1) and (2) shall be payable to the office of Hawaiian
7 affairs as ceded lands revenues. Any balance remaining in the
8 fund at the end of any fiscal year shall be carried forward in
9 the fund for the next fiscal year.

10 (d) The department shall submit an annual report to the
11 legislature no later than twenty days prior to the convening of
12 each regular session that includes a description of expenditures
13 from the special fund.

14 (e) Nothing in this section shall be construed to prohibit
15 the use of general funds or the funds of other programs and
16 activities to implement or enforce subtitle 5 of title 12 or any
17 rule adopted thereunder, concerning management and conservation
18 of aquatic life, aquatic resources, and state marine waters and
19 the resources therein."



1 SECTION 5. Chapter 196, Hawaii Revised Statutes, is
2 amended by adding a new section to part IV to be appropriately
3 designated and to read as follows:

4 "§196- Cesspool conversion revolving loan fund;
5 cesspool conversion financing program. (a) There is
6 established in the state treasury the cesspool conversion
7 revolving loan fund, which shall be administered by the Hawaii
8 green infrastructure authority. Funds deposited into the
9 cesspool conversion revolving loan fund shall include:

- 10 (1) Funds allocated pursuant to section 237D-6.5;
11 (2) Moneys appropriated by the legislature;
12 (3) Funds from federal, state, county, private, or other
13 funding sources, including funds from the department
14 of health under section 342D-83;
15 (4) Moneys received as repayment of loans and interest
16 payments; provided that the repayment of loans and
17 interest payments under this paragraph shall not
18 include repayment of loans and interest collected as a
19 result of funds advanced from proceeds of the green
20 energy market securitization bonds, clean energy and
21 energy efficiency revolving loan fund, solar



1 photovoltaic and energy storage loan program, or
2 condominium loan program; and
3 (5) Any fees collected by the authority under this
4 section; provided that moneys collected as a result of
5 the funds advanced from proceeds of the green energy
6 market securitization bonds, clean energy and energy
7 efficiency revolving loan fund, solar photovoltaic and
8 energy storage loan program, and condominium loan
9 program shall be kept separate from fees collected as
10 a result of funds advanced from proceeds of the
11 cesspool conversion revolving loan fund.

12 (b) Moneys in the cesspool conversion revolving loan fund
13 shall be used to administer the cesspool conversion financing
14 program to provide low-interest loans or other authorized
15 financial assistance, including forgivable loans, to eligible
16 households, with a preference for low- and moderate-income
17 households, to upgrade or convert existing cesspools in all
18 counties to director of health-approved wastewater systems or
19 connect properties with existing cesspools to sewerage systems
20 on terms approved by the authority. Moneys from the fund may be
21 used to cover administrative and legal costs of fund management



1 and management associated with individual loans, which include
2 personnel, services, technical assistance, data collection and
3 reporting, materials, equipment, and travel for the purposes of
4 this section.

5 (c) Funds appropriated or authorized from the cesspool
6 conversion revolving loan fund shall be expended by the
7 authority. The authority may contract with other public or
8 private entities for the provision of all or a portion of the
9 services necessary for the administration and implementation of
10 the cesspool conversion financing program. The authority may
11 set fees or charges for fund management and technical site
12 assistance provided under this section.

13 (d) All interest earned on the loans, deposits, or
14 investments of the moneys in the fund shall become part of the
15 cesspool conversion revolving loan fund.

16 (e) The authority may establish subaccounts within the
17 cesspool conversion revolving loan fund as necessary.

18 (f) The authority may adopt rules pursuant to chapter 91
19 or publish cesspool conversion financing program guidelines to
20 carry out the purposes of this section.



1 (g) The authority shall submit an annual report to the
2 legislature no later than twenty days prior to the convening of
3 each regular session that includes a description of expenditures
4 from the special fund.

5 (h) Except as otherwise provided by law, expenditures from
6 the cesspool conversion revolving loan fund, including
7 administrative expenditures, may be made by the authority
8 without appropriation by the legislature or allotment; provided
9 that no expenditure shall be made from and no obligation shall
10 be incurred against the fund in excess of the amount standing to
11 the credit of the fund or for any purpose for which the fund may
12 not lawfully be expended. Nothing in sections 37-31 to 37-41
13 shall require the proceeds of the cesspool conversion revolving
14 loan fund to be reappropriated annually."

15 SECTION 6. Chapter 205A, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

18 "§205A- Coastal restoration special fund. (a) There
19 is established in the treasury of the State the coastal
20 restoration special fund to be administered by the lead agency,
21 into which shall be deposited:



- 1 (1) Funds allocated pursuant to section 237D-6.5;
2 (2) Appropriations made by the legislature for deposit
3 into the fund;
4 (3) All contributions from public or private partners; and
5 (4) All interest earned on or accrued to moneys deposited
6 in the special fund.
- 7 (b) Moneys in the coastal restoration special fund shall
8 be expended by the lead agency for coastal restoration and beach
9 nourishment activities.
- 10 (c) The lead agency shall submit an annual report to the
11 legislature no later than twenty days prior to the convening of
12 each regular session that includes a description of expenditures
13 from the special fund."

14 SECTION 7. Section 37-79, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "~~{}~~**\$37-79**~~{}~~ **Climate change and tourism destination**
17 **management; projects; ~~[budget]~~ expenditure request~~[-]; green fee~~**
18 **special fund.** The governor shall request, ~~[in]~~ through a bill
19 separate from the budget or the supplemental budget submitted to
20 the legislature pursuant to section 37-71 or 37-72, that an
21 amount ~~[of general funds]~~ that approximates the additional



1 revenue generated by any increase to the transient
2 accommodations tax rates pursuant to section 237D-2(a)(6) and
3 (c)(4) beginning on January 1, 2026, and section 237D-2(e)
4 beginning on July 1, 2026, and by assessment of the transient
5 accommodations tax on gross rental proceeds derived from cruise
6 fares pursuant to section 237D-2(a), less the sum of the amounts
7 allocated to the various funds pursuant to section 237D-
8 6.5(b)(5) to (8), be expended equally to advance specific
9 projects to:

- 10 (1) Protect, manage, and restore the State's natural
11 resources, including native forests, native plants and
12 animals, aquatic resources, coastal lands, and
13 freshwater resources;
- 14 (2) Increase the resilience of structures and
15 infrastructure to natural and climate-related
16 disasters, such as hurricanes and sea level rise, and
17 perform hazard mitigation activities, such as wildfire
18 and flood mitigation; and
- 19 (3) Improve the visitor experience, mitigate the impacts
20 of tourism on the natural environment, ensure that the
21 State's natural resources are maintained for future



1 residents and visitors, and support destination
2 management, such as park improvements and beach
3 improvement, nourishment, and maintenance projects."

4 SECTION 8. Section 237D-6.5, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) Except for the revenues collected pursuant to section
7 237D-2(e), revenues collected under this chapter shall be
8 distributed in the following priority, with the excess revenues
9 to be deposited into the general fund:

10 (1) \$1,500,000 shall be allocated to the Turtle Bay
11 conservation easement special fund beginning July 1,
12 2015, for the reimbursement to the state general fund
13 of debt service on reimbursable general obligation
14 bonds, including ongoing expenses related to the
15 issuance of the bonds, the proceeds of which were used
16 to acquire the conservation easement and other real
17 property interests in Turtle Bay, Oahu, for the
18 protection, preservation, and enhancement of natural
19 resources important to the State, until the bonds are
20 fully amortized;



- 1 (2) \$11,000,000 shall be allocated to the convention
- 2 center enterprise special fund established under
- 3 section 201B-8;
- 4 (3) An allocation shall be deposited into the tourism
- 5 emergency special fund, established in section 201B-
- 6 10, in a manner sufficient to maintain a fund balance
- 7 of \$5,000,000 in the tourism emergency special fund;
- 8 [and]
- 9 (4) \$3,000,000 shall be allocated to the special land and
- 10 development fund established under section 171-19 for:
- 11 (A) The protection, preservation, maintenance, and
- 12 enhancement of natural resources, including
- 13 beaches;
- 14 (B) Planning, construction, and repair of facilities;
- 15 (C) Operation, maintenance, and improvement costs of
- 16 public lands, including beaches; and
- 17 (D) Any related debt service and financing agreement
- 18 costs[-];
- 19 (5) \$ _____ shall be allocated to the watershed,
- 20 biodiversity, and fire resilience special fund
- 21 established pursuant to 183- ;



- 1 (6) \$ _____ shall be allocated to the aquatic
2 resources conservation special fund established
3 pursuant to 187A- _____ ;
- 4 (7) \$ _____ shall be allocated to the cesspool
5 conversion revolving loan fund established pursuant to
6 196- _____ ;
- 7 (8) \$ _____ shall be allocated to the coastal
8 restoration special fund established pursuant to
9 205A- _____ ; and
- 10 (9) The sum of the amounts allocated to the funds pursuant
11 to paragraphs (5) to (8) subtracted from the tax
12 revenues levied, assessed, and collected pursuant to
13 section 237D-2(e) that are in excess of the revenues
14 realized from the levy, assessment, and collection of
15 tax at the ten per cent rate shall be allocated to the
16 green fee special fund established pursuant to
17 section _____-2.

18 All transient accommodations taxes shall be paid into the
19 state treasury each month within ten days after collection and
20 shall be kept by the state director of finance in special
21 accounts for distribution as provided in this subsection."



1 SECTION 9. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 10. This Act shall take effect on July 1, 3000;
4 provided that sections 7 and 9 of this Act shall take effect on
5 January 1, 2027.



Report Title:

Climate Change and Tourism Destination Management; Projects;
Expenditure Request; Governor

Description:

Establishes a Green Fee Special Fund to receive an allocation of green fee revenues. Establishes various special funds to receive allocations of green fee revenues. Requires the Governor to request, through a bill separate from the budget or supplemental budget, an amount that approximates green fee revenues subtracted from the amounts allocated to the various funds to be expended for certain climate change and tourism destination management projects. Effective 7/1/3000. (HD1)

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